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Bill Owens
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Karen Reinertson
Executive Director

September 21, 2001

David Selleck
Center for Medicare and Medicaid
Region VIII
1600 Broadway, Suite 7000
Denver, Colorado 80202-4967

Dear Mr. Selleck:

Enclosed is the Colorado Department of Health Care Policy and Financing's response to HCFA's questions concerning the Colorado Family Planning Medicaid Expansion Project 1115 Waiver.

If you have any questions, please contact Jeanette Hensley, Manager of Acute Care Benefits at 303-866-3861.

Sincerely,

KS
Karen Reinertson
Executive Director

KR/jch

Enclosure

"The mission of the Department of Health Care Policy & Financing is to purchase cost effective health care for qualified, low-income Coloradans"
<http://www.chcpf.state.co.us>

**Responses to Questions
on the
Colorado Family Planning Medicaid Expansion Project**

September 21, 2001

**Colorado Department of Health Care Policy and Financing
1575 Sherman Street
Denver, CO 80203
303-866-3861**

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General

1. Section **1115** waivers are meant to demonstrate a new or innovative approach for addition or improvement to the Medicaid program. Currently, many states are demonstrating the expansion of the Medicaid-covered family planning services. What is the State proposing to demonstrate that is not already being demonstrated in other states with **1115** waivers? Please specifically describe what is innovative about your proposal.

The proposed waiver project does include innovations and it builds on approaches used by other states in approved 1115 waivers. Innovative elements in this project include:

1. Simplification of the enrollment process. An expedited eligibility system will encompass a provider-based screening and application system using a self-disclosure form at designated provider sites. The streamlined eligibility process allows clients to reapply for benefits at the family planning service site. Therefore, benefit redetermination will occur at the site of service when the client comes in for his/her annual exam. This eliminates the formal notification process for the annual reapplication.
2. The extension of family planning benefits. Under this waiver, family planning services are intended to cover Baby Care/Kids Care eligible women for up to two years. Baby Care/Kids Care women, who choose to apply for the family planning waiver, would be automatically enrolled and provided continuous family planning coverage instead of risking a lapse in family planning coverage for this population.
3. Increase the proportions of births. The waiver will assist in increasing the inter-birth spacing to more than eighteen months among women whose deliveries were reimbursed by the Colorado Medicaid program.
4. An annual global rate for provider reimbursement. The global rate is a predetermined rate paid to a provider annually to cover the costs of providing contraceptive services to male or female clients for up to a 12-month period.
5. Statewide services offered to men and women.
6. A sterilization benefit for up to 5 percent of the eligible population.

Although some of the individual features of the Colorado waiver proposal have been used in other state demonstrations, Colorado believes the combination of features in Colorado's 1115 waiver to be unique. For more detailed information on the different innovative services, please refer to the waiver and additional answers to your questions within this document.

2. The State indicates that the Director of the Women's Health Section at the Colorado Department of Public Health and Environment (CDPHE) and the Director of the Health Care Benefits Section at the Colorado Department of Health Care Policy and Financing (CDHCPF) will be primarily responsible for the project. Please provide assurances that the primary responsibility for this program resides with the Single State Agency for the Medicaid program.

Primary responsibility for project design, oversight and monitoring will reside with the Colorado Medicaid program at the Colorado Department of Health Care Policy and Financing (CDHCPF).

Specifically, Medicaid will be responsible for state rules which will address issues of client eligibility; provider qualifications; provider rates; claims processing; program marketing and evaluation; as well as, program policies and procedures; development of reimbursement systems; and the provisions of data for the evaluation of the project.

The Colorado Dept of Public Health and Environment (CDPHE) will be responsible for day-to-day management, quality assurance, training, developing and implementing the marketing campaign and assistance with the project evaluation.

Finance/Budget Neutrality – Attachment I

- 3. Please complete the attached worksheets. Make certain that there is a clear description of the assumptions that are used when submitting the with and without waiver costs. The budget neutrality calculations provided were confusing and difficult to understand. The State expressed that there were no savings from those individuals receiving Medicaid or Title X covered family planning services, however, the worksheets appeared to show that there were savings.**

The requested worksheets can be found in the attachments. A detailed explanation of each item (basic family planning services, deliveries, first-year costs, expanded family planning costs, systems changes, public awareness, and evaluation) and the underlying assumptions are included under the heading, “Explanation of the With and Without Waiver Costs Spreadsheet.”

Briefly, the Colorado waiver proposal assumes that the chief beneficiaries of the program are current Title X and community health center clients as well as women who have recently had a Medicaid birth. Regarding budget neutrality, *all of the savings generated by the waiver are derived from the experience of the 2,649 women (in 2001) increasing to 4,217 who are not currently receiving family planning services through Title X or community health centers* (See Charts B, C, and D). None of the savings generated by women already covered by Title X or community health centers are used in the estimates of future savings or the budget neutrality calculations.

- 4. Show how the State arrived at the \$166 rate for the bundled service including annual exam, STD screening and provision of contraceptive method. Does this rate include costs for STD treatment? What assumptions were used in calculating the costs for the provision of the contraceptive method?**

The \$166 rate for the bundled service (now \$172 for state FY 2000) including the annual exam, STD screening and provision of contraceptive method reflects the global pricing methodology Colorado uses to pay family planning clinics under contract with the state Medicaid agency. STD treatment is not included in the family planning rate. Individuals with a diagnosis of an STD will be referred to their local Community Health Center or primary care physician for treatment and follow-up care.

The \$166 rate (now \$172) for the contracted family planning clinics is based on annual expenditure reports for 1999 from each contracted clinic. CDHCPF’s provider rates section

computes an average cost per client per clinic. The final rate consists of a weighted average of these costs and this figure is multiplied by the current CPI-U. This formula ensures that the cost structures of the larger clinics have relatively more influence on the final rate as compared to smaller clinics.

Oral contraceptives are included in the bundled service rate. Consistent with current practice, the waiver assumes that the following methods of contraception will be reimbursed separately on a fee-for-service basis: insertion/removal of contraceptive capsules (NORPLANT), insertion/removal of IUD, Medroxyprogesterone injection (Depo-Provera), and sterilization. For the purposes of the budget neutrality only (and not for provider payment), ~~an~~ average cost per client was computed for these **FFS** contraceptive services. This explains how the state arrived at an estimate of \$284/client (now \$293) for all types of contraception including sterilization. (For more details on the \$284 (now \$293) figure, please see the answer to question 5.)

All Costs With Waiver

Basic FP Services, Persons

The current number of persons served by Medicaid (without any waiver) and receiving basic family planning services is estimated at 2,700. Medicaid bases this number on current contracts with family planning providers. The number has varied in recent years due to increasing managed care enrollment. Since managed care enrollment is expected to plateau, the number to be served with current family planning services from WFY 1 to WFY5 has been conservatively maintained at 2,700, using the same number for each year. This number is the same as shown in the Without Waiver section above.

Basic FP Services, Per Capita

The family planning global fee paid by Medicaid was \$172 in FY 2000. This figure was increased by 1.5 percent (based on 1998-2000 experience) to \$175 in WFY 1, and \$46 in additional Norplant, IUD, and Depo-Provera charges were added, yielding \$221 for a per capita fee. The same logic was used for each subsequent year, yielding an annual increase of \$2 per capita, and resulting in a fee of \$231 in WFY5. The per capita costs shown here are the same as those shown in the Without Waiver section above.

Basic FP Services, Total

The number of persons (2,700) is multiplied by the per capita cost of family planning (\$221), to determine the cost of basic family planning services for WFY 1 \$596,700. This amount rises to \$623,700 by WFY5. The total is the same as shown in the Without Waiver section above.

Deliveries, Persons

The number of persons delivering in WFY1 is the same as without the waiver, for this waiver fiscal year only. The methodology for the number of women delivering under Medicaid during the first year of the waiver is described in the Without Waiver section. However, beginning in WFY2, a number of births are subtracted from the Without Waiver number each year. The number of births subtracted is the “number averted” through the use of contraception among the newly enrolled family planning waiver recipients, who did not have previous Title X or community health center coverage.

Each year, additional women will be enrolled in the waiver, and each year the number of births averted will increase. The numbers of births averted are 1,730 in WFY2; 2,057 in WFY3; 2,399 in WFY4; and 2,757 in WFY5. For example, the number of expected deliveries in WFY2 without the waiver is 20,474. With the waiver, the number is 18,744 (20,474-1,730 births averted). The number of deliveries in subsequent years varies, based on an increasing number of total births in the state and an increasing number of averted births. Chart C in the attachments illustrates the impact of the waiver and demonstrates the 2,757 Medicaid births that are preventable with the waiver.

The number of births averted assume that the fertility rate of Title X, community health center, and SCHIP (Child Health Plan Plus) users do not change with the introduction of the waiver; therefore, these women receive family planning services whether or not the waiver is in place.

The fertility rate of the Baby Care Kids Care group of women who would have family planning benefit coverage after 60 days postpartum (with the waiver) is expected to decrease by 33 percent. The large group of women who need family planning services, but are not currently receive publicly supported contraceptive services and supplies, would demonstrate a decrease in fertility rate by 5 percent.

Deliveries, Per Capita

The per capita cost of prenatal care and delivery is based on the State FY 2000 Medicaid payment of \$4,350. This per capita rate represents a weighted average of managed care and fee for services costs with 25 percent of deliveries occurring through fee for service and 75 percent enrollment in managed care. This cost has been increased by 0.5 percent per year, a conservative inflation estimate. The figure shown for WFY 1 is \$4,372, which reflects inflation. Each year’s figure is rounded and then the next year’s increase is calculated. Per capita costs increase from \$4,372 in WFY1 to \$4,460 in WFY5.

Deliveries, Total

The total cost of deliveries equals the number of persons (19,975 the first year, decreasing to 18,932 by WFY 5) times the per capita cost \$4,372 WFY1. In WFY1, \$87.3 million will be expended compared to \$84.8 million in WFY5, a decrease of \$2.5 million with the waiver in place. It should be noted that the amount spent on deliveries declines in the year after the implementation of the waiver and does not increase above the WFY 1 level in any of the five demonstration years even though total Colorado births are expected to increase substantially.

First-Year Costs, Persons

The average annual cost for a baby’s medical care in the first 12 months of life was \$3,530 in FY 2000. Like the delivery cost, the figure is weighted for 25 percent of clients through fee for service, and 75 percent through managed care enrollment. The \$3,530 was increased by 0.5 percent, a conservative inflation estimate, to yield \$3,548 in WFY 1. Each year’s figure is rounded and then the next year’s increase is calculated.
The numbers used are the same as those shown under deliveries With Waiver.

First-Year Costs, Per Capita

The average annual cost for a baby was \$3,530 in FY 2000. This figure was increased by 0.5 percent, a conservative inflation estimate, to yield \$3,548 in WFY 1. Each year’s figure is rounded and then the next year’s increase is calculated. These costs are the same as shown in the Without Waiver section above.

First Year Costs, Total

First year total costs equal the number of babies 19,975 (WFY 1) times the per capita cost \$3,548. In WFY1, costs will be \$70.9 million, declining to \$68.5 million in WFY5, a decrease of \$2.4 million. In addition, first year costs with the waiver begin to decline in WFY2, with a \$6.2 million savings difference from the without waiver costs, resulting in a saving of \$10 million by WFY5.

Expanded FP, Persons

The number of women served under the waiver is estimated to be 32,390 in WFY 1, increasing to 38,775 by WFY5. This group of women is shown in Chart B, and is primarily comprised of

Title X enrollees, community health center enrollees, and women who recently delivered a child while enrolled in Medicaid, whose eligibility expires 60 days postpartum.

Expanded FP, Per Capita

The cost of family planning under the waiver is estimated at a global fee of \$293 in WFY1 . This figure is based on current family planning payments by Medicaid of \$172 in FY 2000, with additions of \$46 for Norplant and Depo-Provera and \$72 for sterilization. The base figure is increased by 1.5 percent per year (based on Fiscal Years1998-2000 experience), and \$118 (\$46 plus \$72) is added each year for the other contraceptive options (these contraceptives are not given an annual automatic increased for inflation under the current fee for service system). The fee increases each year, reaching \$303 by WFY5.

Expanded FP, Total

The expanded family planning benefit reflects an increase of \$9.5 million in WFY 1 (persons times per capita cost), rising to \$1 1.7 million by WFY5.

Systems Changes

Computer system changes are budgeted at approximately \$250,000 in WFY 1, and approximately \$30,000 in succeeding years.

Public Awareness

Marketing costs are estimated at \$40,000 in WFY 1, \$45,000 in WFY2, and lower figures in succeeding years as women become aware of the availability of the benefit.

Evaluation

Evaluation costs are budgeted at \$30,000 each year for the 5-year period.

With Waiver Total Base Year

The total costs in WFY1 are \$168.6 million, *decreasing* to \$165.4 million by WFY5 with the implementation of the waiver. The total expenditures include the costs of family planning to an increased number of women, the cost of deliveries to all pregnant Medicaid-eligible women, and the first year medical costs of the babies delivered by these women.

Difference

In WFY 1, implementation demonstrates an additional \$9.8 million above the usual costs with no waiver in place. However, in WFY2, the waiver avoids \$3.6 million than costs without the waiver. Each succeeding year the waiver increases the savings, rising to \$10.5 million in Medicaid savings by WFY5. In WFY5, \$175.8 million would be spent without the waiver, while \$165.4 million could be spent on increasing family planning services to more women while decreasing the Medicaid births and associated delivery and first-year medical costs.

5. Please clarify why the cost of sterilizations is included in the total per patient estimate given that the State proposes to cap sterilizations at 5 percent of the projected Medicaid enrollment. Should the cost of sterilizations be calculated across all enrollees for an average cost of \$72 per client or should it be calculated separately based on the average cost of \$1,433 per client receiving sterilization (capped at 5% of clients each year)?

Explanation of the With and Without Waiver Costs Spreadsheet

All Costs Without Waiver

Basic FP Services, Persons

The current number of persons served by Medicaid (without any waiver) and receiving basic family planning services is estimated at 2,700. Medicaid bases this number on current contracts with family planning providers. The number has varied in recent years, but has declined in the last couple of years due to increasing managed care enrollment. Since managed care enrollment is expected to plateau, the number to be served with basic family planning services from WFY 1 to WFYS has been conservatively maintained at 2,700, using the same number for each year.

Basic FP Services, Per Capita

The family planning global fee paid by Medicaid was \$172 in FY 2000. This figure was increased by 1.5 percent (based on 1998-2000 experience) to \$175 in WFY1, and \$46 in additional Norplant, IUD, and Depo-Provera charges were added, yielding \$221 for a per capita fee. The same logic was used for each subsequent year, yielding an annual increase of \$2 per capita, and resulting in a fee of \$231 in WFY5.

Basic FP Services, Total

The number of persons (2,700) is multiplied by the per capita cost of family planning (\$221 in WFY 1). The cost of basic family planning services is \$596,700 in WFY 1, rising to \$623,700 in WFYS.

Deliveries, Persons

The number of persons delivering is based on birth certificate data and on Pregnancy Risk Assessment and Monitoring Survey (PRAMS) data from the Colorado Department of Public Health and Environment. PRAMS data supplement birth certificate data and provide information on the number of deliveries that Medicaid pays for (about 30 percent of all Colorado deliveries annually). PRAMS generated estimates of Medicaid deliveries have been validated against Medicaid claims data. The number of deliveries in WFY 1 through WFYS is estimated based on recent Colorado births where the annual increase each year between 1995 and 1998 was 2.5 percent. Continued strong growth is expected in Colorado throughout the years of the waiver project. For a breakdown of the 21,689 births expected in WFYS without the waiver in place, see Chart C in the attachments, which show that 2,757 births are preventable with the waiver in place.

Deliveries, Per Capita

The per capita cost of prenatal care and delivery is based on the FY 2000 Medicaid payment of \$4,350. This per capita rate represents a weighted average of managed care and fee for services costs with 25 percent of deliveries occurring through fee for service and 75 percent due to enrollment in managed care. This cost has been increased by 0.5 percent per year, a conservative inflation estimate. The figure shown for WFY 1 is \$4,372. Each year's figure is rounded and then the next year's increase is calculated. Per capita costs increase from \$4,372 in WFY 1 to \$4,460 in WFY5.

Deliveries, Total

The total cost of deliveries equals the number of persons (WFY 1 - 19,975 deliveries) times the per capita cost (WFY1 \$4,372). In WFY 1, \$87.3 million will be spent on these costs, rising to \$96.7 million in WFY5.

First-Year Costs, Persons

The number of persons (babies) with first year costs is the same as the number delivered (see above).

First-Year Costs, Per Capita

The average annual cost for a baby’s medical care in the first 12 months of life was \$3,530 in FY 2000. Like the delivery cost, the figure is weighted for 25 percent of clients through fee for service, and 75 percent through managed care enrollment. The \$3,530 was increased by 0.5 percent, a conservative inflation estimate, to yield \$3,548 in WFY1. Each year’s figure is rounded and then the next year’s increase is calculated.

First Year Costs, Total

First year total costs equal the number of babies 19,975 times the per capita cost of the first year of the baby’s life (\$3,530), which equals almost \$70.9 million. This figure rises to \$78.5 million in WFY5.

Without Waiver Total Base Year

The total costs in WFY1 are \$158.8 million increasing to \$175.9 million by WFY5 if no waiver is implemented. The total costs include: the current family planning expenditures to Medicaid eligible women (\$596,700)’ the cost of prenatal care and deliveries to women in Colorado who become Medicaid eligible while pregnant (\$87,330,700) and the first year medical costs of the babies resulting from the Medicaid deliveries (\$70,871,300)

The method used in the budget calculations (using an average cost per enrollee) and that proposed by HCFA (using an average cost per sterilization) are mathematically equivalent. The cost-per-enrollee method was chosen for calculation convenience. The following paragraphs demonstrate the mathematical equivalence of the two methods, using the new global rate calculations.

The cost of sterilizations for up to 5 percent of the eligible population was included in the total cost per patient for ease of calculating the budget neutrality. When the cost of sterilizations is included in the average per patient cost, the amount is \$293 per patient for all types of contraception, including sterilization. Multiply the number of expected enrollees times the total average per patient cost (32,390 x \$293) and easily arrive at a cost for all contraception of \$9,490,270.

The Department can also exclude the cost of sterilization from the average per patient cost if HCFA would prefer. Without sterilization, the average per patient cost is \$221 (\$72 less than \$293). The Department then calculates the total cost for this group by multiplying the number of patients (32,390) by the total average cost without sterilization (\$221), yielding a total cost of \$7,158,190. The Department then allows 1,620 people (5 percent of all the patients) to have sterilizations at an average cost of \$1,433 per sterilization, for a total of \$2,321,460. The Department adds this sterilization total to the first total (\$2,321,460 plus \$7,158,190) to yield \$9,479,650.

The two total expenditure amounts are virtually the same, with the difference of \$10,620 due to rounding (33 cents per client). It is not important which method is used, but the method including the sterilization cost is easier to use when calculating costs for the entire group.

The new budget neutrality spreadsheets submitted with this response use the \$293 cost per patient, which includes the sterilization benefit. The costs shown for each year would remain the same whether the sterilization cost is included in the per patient cost, or added back in at the end.

6. Is the \$284 cost per client an annual cost? Will there be no inflationary increases in provider payments over the five years of this waiver? The savings calculations show a very conservative inflationary increase in the costs of the averted births, but no increase in provider payments for program participants.

Based on the above input, the calculations have been changed to add an inflationary factor of 1.5 percent per year to the portion of the global rate that covers basic services. This percentage was determined by the increase in the global rate for basic services paid to providers between FYs 1999 and 2000. The global rate has been increased from \$284 to \$293 for WFY1.

7. Please clarify if you are including all individuals under 150% under this waiver and in the budget neutrality calculations, including current Medicaid and SCHIP eligibles.

The Department is not including all men and women under 150% of poverty in the waiver and in the budget neutrality calculations. Chart A in the attachments section describes the populations under 150% of poverty that are eligible for the waiver (139,541) and Chart B shows the

comparison of those most likely to enroll and who will therefore be targeted (32,390). About one in four individuals considered to be “in need” will be likely to enroll, and the budget neutrality calculations use these numbers (beginning with 32,390 in WFY 1) as the number of individuals receiving expanded family planning services.

Adults who are enrolled or eligible for Medicaid benefits are not eligible for the waiver. *Teens* in need of confidential services will be permitted to apply for the waiver, based on their income. All teens will be screened for eligibility for SCHIP (Child Health Plan Plus) and Medicaid. Those who appear to be eligible for either of these programs will be encouraged to discuss this eligibility with their parents and to apply. Teens who are eligible for Medicaid or SCHIP and who choose to enroll may receive family planning services under Medicaid or SCHIP.

Our budget neutrality calculations assume that of all those eligible, the majority of individuals that will actually participate in the waiver program will be drawn from three main groups: Title X clinics, Community Health Center (CHC) clinics, and women who have recently had a Medicaid birth. Other groups will be enrolled in smaller numbers. (See Pie Chart B on expected enrollment in the attachments section.)

Eligibility

8. On page 9, it states that “Private insurance that covers family planning services will be the primary payer” and “Providers will also be asked about other sources of family planning benefit coverage, such as private health insurance.” Please clarify whether individuals with private insurance plans are included in the targeted population. People who have access to other insurance should not be included in the demonstration.

The statement on page 9 (in the waiver application) quoted above refers to clients who are found eligible for Medicaid. As stated, adults would be encouraged to apply for Medicaid and would be ineligible for the waiver. In the event that they also had private health insurance, which covers family planning services, the private insurance would be the primary payer and Medicaid would be the secondary payer.

All teens, who are 19 years of age or younger, will be asked to report if they have private health insurance coverage. Those with private insurance will be encouraged to talk with their parents (if the teen is covered under his/her parents private insurance) about billing private insurance for family planning services. In addition, teens that appear to be eligible for Medicaid or SCHIP will be encouraged to discuss and apply for Medicaid or SCHIP with their parents (if the teen is not emancipated). Teens who are eligible for Medicaid or SCHIP and who choose to enroll may receive family planning services under Medicaid or SCHIP. Teens in need of confidential services (including current Medicaid/SCHIP recipients or eligibles) will be permitted to apply for the waiver based on their own income.

9. Please show how the State arrived at the estimates of the eligible population. The State estimates that a total of 139,541 would be eligible for the new benefit. However, only 2,649 clients who are not currently receiving family planning services will be able to access the benefits the first year and increase to 4,217 in the last year of the project. Why such a

disparity? What portion of this population is currently receiving Medicaid? Why does the State anticipate that they will be eligible for the waiver?

An estimated 139,541 people in Colorado are “in need of publicly supported contraceptive services and supplies” in WFY 1. This represents the theoretical pool of all people eligible for the waiver. This estimate is based on a standard calculation done by the Alan Guttmacher Institute (AGI) in New York, a not-for-profit organization for reproductive health research and analysis.

Briefly, the 139,541 figure considers data on state population, marital status, sexual activity, income, fecundity, and desire for pregnancy.¹ Adult Medicaid recipients (e.g. women receiving TANF benefits) are excluded from this estimate. All sexually active teens *are* included in the 139,541 number, independent of income. As described elsewhere in this document, all teens in need of confidential services (including current Medicaid recipients) will be permitted to apply for the family planning waiver based on their own income.

Chart A in the attachments contains a pie chart of the 139,541 *individuals eligible for the waiver*. The color-coded slices of the pie classify the eligible population according to their current family planning source (or lack thereof). (See Chart A and the related explanations for more details on the eligible population.)

Chart B in the attachments shows the *anticipated enrollment in the waiver*, using the same color coding system for the pie slices as used in Chart A. The waiver is expected to serve 32,290 people or approximately one-quarter of the people in need in year one (WFY 1). However, as question 9 implies, not all “pie slices” will ultimately enroll in the waiver in equal proportions. Since the waiver uses a provider-based enrollment strategy, the Department expects that the waiver will enroll a large proportion of eligible clients who are currently using Title X and CHC clinic services (as compared to non-clinic users), especially during the early years of the waiver. In addition, certain groups of high-risk women will be specifically targeted by waiver marketing efforts, including women who have recently had a Medicaid birth. (See question 17 for more information on targeting this high-risk population.) The Department’s enrollment estimate of 2,649 non-clinic users in WFY1 is a conservative one that is based on the state’s experience with other low-income insurance programs (e.g., SCHIP) that have encountered low initial enrollment. (See Chart B and the related explanations for more details on the anticipated waiver enrollment.)

Chart D in the attachments shows how each subgroup contributes (or not) to the waiver savings in the year WFY5, again using the same color coding system for the pie slices as used in Charts A and B. The Department assumes that current family planning clinic users account for none of the savings. The savings is drawn entirely from the new enrollees. Even with the relatively low projected enrollment (2,649 in WFY 1) of non-clinic users, the waiver is budget neutral in its

¹ Insurance status is not explicitly considered in the Guttmacher estimates. However, women are counted in the estimate if they have difficulty obtaining care because they cannot afford private sector prices or they have special needs, such as a requirement for confidentiality. In addition, estimates are limited to the population whose incomes are below 150 percent of the federal poverty level. Few women at that income level have private insurance, and few insurance policies cover contraceptive services and supplies.

second year. Therefore, the Department feels our estimates are conservative because better-than-projected enrollment of high-risk women would improve our budget neutrality.

Question 9 also asks: What portion of this population is currently receiving Medicaid? Why does the State anticipate that they will be eligible for the waiver?

Among the women to be enrolled (32,390 in WFY 1) only 5 percent are currently (FY 2000) receiving any Medicaid coverage. These women would become eligible for the waiver upon the lapse of their Medicaid eligibility at 60 days postpartum. All TANF women have already been removed from the estimates of women in need and from the number of women to be enrolled.

The state anticipates that the 32,390 women to be enrolled will be eligible for the family planning waiver because their income is below 150 percent of poverty; sexually active, fecund (able to bear children); and not desiring pregnancy. This group is in need of contraceptive services and supplies in order to avoid pregnancy.

10. Does the extension of benefits for two years for Baby Care/Kids Care eligible women apply regardless of income? Is enrollment for this population automatic? Will there be a requirement to report changes in income?

Former Baby Care/Kids Care enrollees with incomes at ≤ 150 percent of poverty will be eligible to participate in the waiver. The Baby Care/Kids Care enrollees who choose to enroll in the family planning waiver will be automatically enrolled. Once Baby Care/Kids Care benefits have been exhausted, the postpartum client will need to apply for the family planning waiver Medicaid benefit at the provider site. All enrollees, including former Baby Care/Kids Care enrollees, will be redetermined annually. (Annual redetermination for former Baby Care/Kids Care enrollees is a change from the original proposal.) Enrollees will be instructed to report a change in income at any time, which would alter eligibility. Baby Care/Kids Care enrollees will receive a letter from Medicaid confirming their Baby Care/Kids Care benefits are ending and informing them about the family planning waiver.

11. Why is the State eliminating a formal redetermination process and requiring women to reapply annually for benefits? Please provide clarification on the notification process for the annual reapplication process.

There will not be a formal notification process for annual redetermination, because Colorado's model locates the eligibility screening function at the point of service. Since enrollees are eligible only for the limited family planning benefit, they will reapply annually for this benefit at the family planning service site. Thus, benefit redetermination will occur at the site of service when enrollees come in for an annual exam. This element is one of the innovative and cost-containing features of Colorado's waiver.

12. Will people only be able to apply for the program at provider sites or can they also apply at county social services offices? See Section K. Administration. Please be advised that State eligibility workers must make the final eligibility determinations. Please provide

clarification of the process and provide assurances that State eligibility workers will be making the final eligibility determinations.

With the advent of the automated Colorado Benefits Management System (CBMS), provider/service sites that are certified by the state and authorized by county commissioners can use the automated state rules-based computer program to determine eligibility. The Department estimates that CBMS will be available in November 2002. The Department anticipates that all family planning providers will be using CBMS once it is operational.

Clients will apply for the limited family planning-only benefit at provider/service sites. If they apply at the County Social/Human Services office, they will receive referrals to a provider site to apply for the family planning waiver. Applications will be completed at the provider site. The application for the limited family planning benefit will be a streamlined version of the standard Medicaid application. (The client will be asked to provide name, date of birth, social security number or alien registration number and a statement of income.) Clients will also be screened for eligibility for full Medicaid benefits or for the SCHIP program. The paperwork will be forwarded on to eligibility workers for final eligibility determination. Allowing provider sites to both complete the applications and forward them to state eligibility workers for final approval is both an innovative and cost-saving component of Colorado's waiver.

13. The State appears to be moving toward a process whereby applicants self-declare income. Does the State have a process in place for verifying income information annually from other state databases (e.g., employment databases)?

One of the innovative features of Colorado's waiver program is the process whereby applicants self-declare their income. This process has been utilized historically in Colorado's Title X program with great success. Colorado does not have a process in place to verify income from other state databases. Potential enrollees will be asked to record all sources of income and will sign an affidavit verifying that the information is true. In the pre-CBMS phase of the project, the application will be forwarded on to a state eligibility worker for final approval. In the post-CBMS phase, the income information will be input directly into the computer and a determination will be made using CBMS's automated state rules-based eligibility determination computer program.

14. The State indicates on page 9 that providers will be encouraged to screen applicants for Medicaid and Child Health Plus eligibility. Screening for Medicaid and Child Health Plus eligibility is mandatory and the State must develop an alternative system so that applicants are screened for all other programs first, and are only enrolled in the proposed waiver if they are determined to be ineligible for other programs.

Clients will be screened for Medicaid and Child Health Plan Plus eligibility at provider/service sites. This function will be completed automatically by CBMS. Adults will only be enrolled in the waiver if they are deemed ineligible for other programs. All teens will be screened for eligibility for SCHIP and Medicaid

Delivery Network

15. The State indicates that providers will be limited to the essential community providers in the first phase of the waiver while the Colorado Benefits Management System (CBMS) is being developed. Colorado House Bill 99-1373, which provides legislative authority to pursue this “Pilot Program” shall be carried out “. . .by all Medicaid providers who provide family planning services....” The waiver as proposed seems to be in conflict with this legislation. Furthermore, HCFA requires states to provide access to a wide range of family planning providers. We would not allow the program to begin with only essential community providers participating. Please discuss if you would be able to change your program to meet our requirement.

As noted in the proposal, Colorado has a wide, statewide network of family planning providers as a part of the essential community provider system. All areas of the state are covered with the existing network. When the CBMS eligibility system is fully functioning statewide, all Medicaid providers who provide family planning services will be included. As stated earlier, the CBMS project will be phased in throughout the state, which may cause a postponement in some areas for all Medicaid providers to participate in the family planning waiver at the start of the waiver, but the State is continuing to work with the family planning provider network to ensure statewide coverage.

16. The State proposes paying a global rate for family planning services. Please provide further explanation on this global rate concept. Will the State have a system in place for “disenrolling” women who become pregnant or otherwise become eligible for full Medicaid or Child Health Plus (CHP) services to avoid overpaying for services to these women? Provide further information on the “good cause” criteria for disenrollment. How will referrals for medical services (for example, abnormal test results) be handled in this program?

As discussed in question 4, the global rate concept is already in place as a reimbursement method for family planning clinics that are contracted with the state Medicaid agency. Under this contract, clinics agree to provide specific contraceptive services including an annual exam, STD screening and contraceptives for a fixed rate based on historical cost data. (See question 4 for more on the provider rate calculation.) Clinics are at-risk for costs that exceed the fixed rate. Conversely, no refunds will be issued to Medicaid if a client fails to receive services for the full 12-month period.

Women who become pregnant or eligible for Medicaid or SCHIP benefits will no longer be eligible for the family planning waiver. The State is developing a system to disenroll the women from the family planning waiver due to pregnancy or Medicaid/SCHIP eligibility.

Good cause criteria will be similar to CDHCPF regulations that govern good cause disenrollment from a managed care organization, which are located in the Colorado Department of Health Care Policy and Financing, Staff Manual Volume 8, Medical Assistance, section 8.207.32. They are administrative or system error, such as the assignment of a client to a provider in the wrong service area, inability of the family planning provider to provide the covered services to the

client, inability of the family planning provider to provide an appropriate level of quality of care, relocation outside of the service provider area, and other reasons satisfactory to CDHCPF.

Abnormal test results will be followed up per established medical protocol. The client will be referred to their local Community Health Center for any additional tests, procedures, or medications. Every provider site maintains a list of referral provider clinics from which clients may seek follow-up care.

Outreach and Enrollment

17. Please provide more information about the development and implementation of a statewide public education campaign to target eligible individuals, in particular individuals who are not currently using Title X or CHC clinics. This is especially important given that the State projects that the primary Medicaid savings will come from recruiting into the waiver program, women and men who are not current family planning clinic users. What services will these men be receiving? If reimbursement is to be by a global rate, will the same global rate be used for men as for women?

Our savings pie chart (Chart D) illustrates that the majority of savings will be achieved by extending family planning benefits to postpartum women who are about to lose their Baby Care/Kids Care eligibility. This is a well-defined population for targeted marketing within the prenatal setting. The state estimates that it will enroll approximately 1 in 9 of the former Baby Care/Kids Care population in the waiver. This estimate is conservative and based on the low initial enrollment rates of SCHIP and other public insurance programs that target low-income populations.

Under this waiver, men may receive the services outlined on page 10 of the waiver application (history and physical exam, laboratory tests, STD screening, patient education and counseling, referral and follow-up services as needed, dispensing of approved contraceptives and vasectomy.) The same global rate will be used for men as for women. The budget neutrality assumes that a majority of the men that utilize the waiver will be seeking vasectomy services. This assumption is based on Colorado’s Title X experience and discussions with other states that have offered subsidized vasectomy services.

Colorado is participating in a Title X funded, six-state, regional project to develop a family planning social marketing plan. Best Start, a nationally known social marketing corporation, is the contractor for the project. Colorado will use the materials and techniques developed by this project to market to potential clients eligible for the family planning-only Medicaid benefit. Information about the availability of the family planning waiver will be sent in a letter to all Baby Care/Kids Care enrollees whose Medicaid coverage will be ending after the 60-day post-partum period. Those women who are under 21 and unmarried, an especially high-risk group for rapid repeat and unintended pregnancy², will receive a second letter about the family planning waiver as an additional, innovative effort to target the group of women at greatest risk for

² A definition of rapid repeat pregnancy is in the footnote on page 16. A definition of unintended pregnancy is in a footnote to the Explanation of Chart A in the attachments.

another pregnancy. In addition, all Medicaid prenatal providers will receive information about the family planning waiver along with marketing materials for Baby Care/Kids Care enrollees.

Marketing

18. Please clarify as to who will have oversight and approval of all marketing materials and information before it is distributed to the beneficiary. How will the State address the needs of those individuals who speak languages other than Spanish and English? Will these materials be sensitive to cultural differences?

Colorado Medicaid will have final approval of all marketing materials and information distribution to the beneficiary. Materials will be available in Spanish as well as English (Spanish is the predominant second language in Colorado) and will be culturally relevant. Materials for those clients speaking languages other than English and Spanish will be developed as the need arises or during Year 2 of the project. The Colorado Department of Public Health and Environment (CDPHE) has extensive experience in the development of linguistically and culturally relevant marketing and educational materials. As a partner in this project, CDPHE will assist the state Medicaid in the development of these materials. As noted above, CDHCPF will have final oversight **and** approval of all materials developed.

Evaluation/Reporting

19. Please provide further information on the evaluation plan. Who will have ultimate responsibility for the evaluation development, implementation and final report? Some of the measures need to be refined further. For example, clarify Measurement Number **2** – what methods are being defined as “highly effective contraceptive methods”? Does such a measure have implications for contraceptive choice? Measurement Number 3 seeks to reduce the adolescent birth rate among 15-17 years, but the narrative does not discuss this issue in any detail. How would the evaluation distinguish between the interventions offered through this expansion program and other adolescent pregnancy prevention efforts in the State?

Colorado Medicaid will have the ultimate responsibility for the evaluation, development, and implementation of the evaluation plan and the final report. CDPHE will be responsible for providing much of the data to the Colorado Department of Health Care Policy and Financing for the measurements specified on page 19 and 20 of the waiver application. The methods defined as highly effective are non-barrier methods, such as combined oral contraceptives, Depo-Provera, IUDs, Norplant and sterilization. Clients will receive non-coercive counseling about all methods and will make a choice regarding the method to be used. (See the following table under Measurement 2 for further information on how the use of effective methods will be measured.)

The table below provides further information on the evaluation plan. Each measurement is specified, along with the data source, baseline values, and the expected direction of change. The table includes each of the measures proposed in Section W (Evaluation/ Reporting) of the original waiver submission plus three new measures (10-12).

It should be noted that Colorado's PRAMS Survey is becoming the state's preferred data source for data on pregnancy intention, repeat pregnancy, and contraceptive use. Colorado is fortunate to have this random sample survey system of all Colorado births, which begun in 1997. PRAMS data are compiled in such a way as to be statistically representative of all Colorado births. Furthermore, Colorado is able to divide all Colorado births into two groups, those women whose prenatal care was covered by Medicaid and those women whose prenatal care was not covered by Medicaid. Since about 30 percent of all Colorado births are covered by Medicaid, survey data can reliably reflect the experience of this group. Using the survey system, Colorado is able to analyze responses to many questions about birth intention, repeat births, and contraception, questions that are not included on the birth certificate but are asked in the survey.

Evaluation Measures for the Colorado Family Planning Waiver

Measure	Data Source	Baseline Data/Notes	Expected Direction of Change
Measurement Number 1 The number of individuals with incomes less than 150% of the federal poverty level who receive publicly supported family planning services through the waiver	Medicaid claims data on recipients at the global fee rate and sterilization recipients.	The number expected to enroll in the Medicaid waiver in WFY1 is 32,390, increasing to 38,775 in WFY5.	Increase
Measurement Number 3 Teen birth rate (15-19) statewide.	CDPHE birth certificate data; Colo. Dept. of Local Affairs population data.	The estimated rate for 1999, the most recent data available, shows a rate of 48.1 births per 1,000 teens (7,246 births among 150,519 females age 15-19).	Decrease
Measurement Number 4 The percent of Medicaid births that are unintended (mistimed plus unwanted) ³	Colorado PRAMS Survey (Pregnancy Risk Assessment Monitoring System)	1997: Medicaid births: 59% are unintended Non-Medicaid births: 30% are unintended.	Decrease
Measurement Number 5 The number of unintended pregnancies averted resulting from increased access and use of reliable contraception.	Colo. Dept. of Public Health & Environment birth certificate data and PRAMS data	Expected births averted (pregnancies that do not occur) by clients <i>newly</i> enrolled in the waiver (not previous Title X or CHC clients) are anticipated to be 1,730 in WFY2 and rise to 2,757 in WFY5. Total averted births, including all clients enrolled in the waiver,	Increase

³ See full explanation of the categories in the Explanation of Chart A in the attachments.

Measure	Data Source	Baseline Data/Notes	Expected Direction of Change
		would begin at 3,509 in WFY1 and reach 5,535 in WFY5.	
Measurement Number 6 The percent of Medicaid births that are rapid repeat pregnancies ⁴	Colorado PRAMS Survey	199711998 ⁵ Medicaid: 11% of all Medicaid births are conceptions occurring within less than 12 months from the previous delivery; 18% are within less than 18 months Non-Medicaid: 8% and 16%	Decrease
Measurement Number 7 Rate of second births to teens whose previous births were covered by Medicaid	Colo. Dept. of Public Health & Environment birth certificates, PRAMS data, Medicaid records	In 1999, 23% percent of births to all Colorado teens 15-19 were second or higher order births. Among Medicaid clients, the percentage was estimated to be at least 32%.	Decrease
Measurement Number 8 Patient satisfaction with the services received	CDHCPF patient satisfaction survey	In WFY3 CDHCPF will carry out a patient satisfaction survey among a sample of Medicaid clients.	High level of satisfaction
Measurement Number 9 Provider satisfaction with the waiver project	CDHCPF provider satisfaction survey	In WFY3 CDHCFP will carry out a provider satisfaction survey among a sample of Medicaid providers.	High level of satisfaction
New Measurement Number 10 The percent of Medicaid rapid repeat births that were unintended	Colorado PRAMS Survey, 1997-1999 version, question 5	199711998 Medicaid: 78% of births that are conceived within 12 months of the previous delivery are unintended; the corresponding figure for births conceived within 18 months is 77%	Decrease

⁴ Less than 12 or 18 months between previous delivery and subsequent conception. Both definitions are commonly used.

⁵ Data years are combined to yield estimates that have smaller confidence intervals.

Measure	Data Source	Baseline Data/Notes	Expected Direction of Change
		Non-Medicaid: 56% unintended within 12 months; 44% unintended within 18 months.	
New Measurement Number 11 The percent of Medicaid births where the mother states “I can’t pay for birth control” postpartum	Colorado PRAMS Survey, new question began January 2000, question 67	FY 2000: Data will be available in December 2001.	Decrease
New Measurement Number 12 The percent of Medicaid births where birth control was being used at the time of the survey (2-4 months postpartum)	Colorado PRAMS Survey, new question began January 2000, question 66	FY 2000: Data will be available in December 2001.	Increase

Specifically in terms of Measurement 3 and the Colorado teen birth rate (see the text of question 19), the waiver program design responds to the fact that teens currently account disproportionately for Medicaid births, especially compared to non-Medicaid births. According to 1998 PRAMS data, 27% of Medicaid births occurred to women 15-19, compared to only 6% of non-Medicaid births. It is expected that the waiver, which provides confidential access to family planning services, will begin to close this gap between the proportion of teen births on Medicaid and the proportion of teen births not covered by Medicaid. The Department also expects the total teen birth rate to decrease. Process objectives, such as teen enrollment in the waiver, will also be tracked. However, it is not the intent to attribute all, if any, decrease in teen fertility to this waiver program alone. Neither is the evaluation intended to statistically apportion teen fertility rate reductions to this and other adolescent pregnancy prevention efforts in the state. To statistically separate the individual contributions of concurrent prevention interventions would require a sophisticated research project. This would significantly raise the costs associated with the evaluation and is beyond the scope of this waiver request.

The table also includes information on three new proposed measures (10, 11, and 12). Measurement 10, the percent of Medicaid rapid repeat births that were unintended, is a combination of information on intention and repeat pregnancy. It looks specifically at Medicaid mothers having rapid repeat pregnancies and asks whether or not the woman intended to become pregnant at the time of conception. The proportion of women experiencing a pregnancy who say

it was unintended is currently very high (59 percent in 1997) and suggests that most women in this group would be very interested in the availability of effective contraceptives.

Measurement 11, the percent of Medicaid births where the mother states “I can’t pay for birth control,” is a new measure that is now possible since the original PRAMS survey questions were revised beginning with the year 2000. This measure will tell us how many Medicaid mothers consider the cost of birth control to be a barrier to use. Over time, with access assured through the family planning waiver, the proportion of women with this response should be reduced.

Measurement 12, the percent of Medicaid births where birth control was being used at the time of the survey (2-4 months postpartum) is another new measure that is now possible since the original PRAMS survey questions were revised beginning with the year 2000. This measure will provide data on how many of the Baby Care Kids Care group of mothers are using contraception after their prenatal care eligibility has expired and their family planning waiver time period has begun (60 days postpartum). This proportion will be a critical indicator of the success of the waiver program in addressing the family planning needs of a high-risk group of women.

20. How will the State partnerships with the Community Health Centers to provide primary care service referrals to family planning eligible individuals?

The Colorado Department of Health Care Policy and Financing has an extensive history of working with the Colorado Community Health Network organization and clinics. The Community Health Centers provide quality medical care to low-income Coloradoans. The Department will continue this partnership and assist the local family planning providers in developing and implementing a referral system to the local community health center to assist Family Planning waiver recipients’ access to primary care services.

A letter of support from the Colorado Community Health Network Executive Director is attached. This letter illustrates the partnership the Department maintains with the Community Health Care in Colorado.

Attachments

Budget Neutrality Worksheets: Without Waiver and With Waiver [See Excel file]

Chart A. Colorado Women in Need of Publicly Supported Contraceptive Services and Supplies, and Explanation of Chart A.

Chart B. Colorado Expected Medicaid Enrollment with Waiver in Place by Type of Client, 2001, and Explanation of Chart B.

Chart C. Colorado Medicaid Births, Impact of Family Planning Waiver, 2005, and Explanation of Chart C

Chart D. Contribution to Difference in Costs with New Waiver Enrollment by Source of Enrollees, 2005, and Explanation of Chart D

Attachment E. Letter of Support from Colorado Community Health Network

Colorado Family Planning Waiver Budget Neutrality Worksheets, 2001-2005

FEDERAL COSTS		WFY1	WFY2	WFY3	WFY4	WFY5	TOTAL
WITHOUT WAIVER							
BASIC FP SERVS -- All current eligibles							
	Persons	2,700	2,700	2,700	2,700	2,700	13,500
	Per Capita	198.90	200.70	203.40	206.10	207.90	
	Total	\$ 537,030	\$ 541,890	\$ 549,180	\$ 556,470	\$ 561,330	\$ 2,745,900
DELIVERIES							
	Persons	19,975	20,474	20,986	21,511	21,689	104,635
	Percapita	\$ 2,186	\$ 2,197	\$ 2,208	\$ 2,219	\$ 2,230	
	Total	\$ 43,665,350	\$ 44,981,378	\$ 46,337,088	\$ 47,732,909	\$ 48,366,470	\$ 231,083,195
FIRST YEAR COSTS							
	Persons	19,975	20,474	20,986	21,511	21,689	104,635
	Percapita	\$ 1,774	\$ 1,783	\$ 1,792	\$ 1,801	\$ 1,810	
	Total	\$ 35,435,650	\$ 36,505,142	\$ 37,606,912	\$ 38,741,311	\$ 39,257,090	\$ 187,546,105
TOTAL WITHOUT-WAIVER COSTS		\$ 79,638,030	\$ 82,028,410	\$ 84,493,180	\$ 87,030,690	\$ 88,184,890	\$ 421,375,200
WITH WAIVER							
BASIC FP SERVS							
	Persons	2,700	2,700	2,700	2,700	2,700	13,500
	Per Capita	198.90	200.70	203.40	206.10	207.90	
	Total	\$ 537,030	\$ 541,890	\$ 549,180	\$ 556,470	\$ 561,330	\$ 2,745,900
DELIVERIES							
	Persons	19,975	18,744	18,929	19,112	18,932	95,692
	Per Capita	\$ 2,186	\$ 2,197	\$ 2,208	\$ 2,219	\$ 2,230	
	Total	\$ 43,665,350	\$ 41,180,568	\$ 41,795,232	\$ 42,409,528	\$ 42,218,360	\$ 211,269,038
FIRST YEAR COSTS							
	Persons	19,975	18,744	18,929	19,112	18,932	
	Percapita	\$ 1,774	\$ 1,783	\$ 1,792	\$ 1,801	\$ 1,810	
	Total	\$ 35,435,650	\$ 33,420,552	\$ 33,920,768	\$ 34,420,712	\$ 34,266,920	\$ 171,464,602
EXPANDED FP							
	Persons	32,390	34,075	35,780	37,503	38,775	
	Per Capita	263.70	265.50	268.20	270.90	272.70	
	Total	\$ 8,541,243	\$ 9,046,913	\$ 9,596,196	\$ 10,159,563	\$ 10,573,943	\$ 47,917,857
SYSTEMS CHANGES		\$ 187,500	\$ 22,500	\$ 22,500	\$ 18,750	\$ -	\$ 251,250
PUBLIC AWARENESS		\$ 22,500	\$ 22,500	\$ 20,000	\$ 17,500	\$ -	\$ 82,500
EVALUATION		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
TOTAL WITH WAIVER COSTS		\$ 88,404,273	\$ 84,249,923	\$ 85,918,876	\$ 87,597,523	\$ 87,635,553	\$ 433,806,147
DIFFERENCE		\$ (8,766,243)	\$ (2,221,513)	\$ (1,425,696)	\$ (566,833)	\$ 549,338	\$ (12,430,947)
REGULAR FMAP		50.00%					
FP FMAP =		90.00%					
PMPM COST TREND							

5 years

increase rates

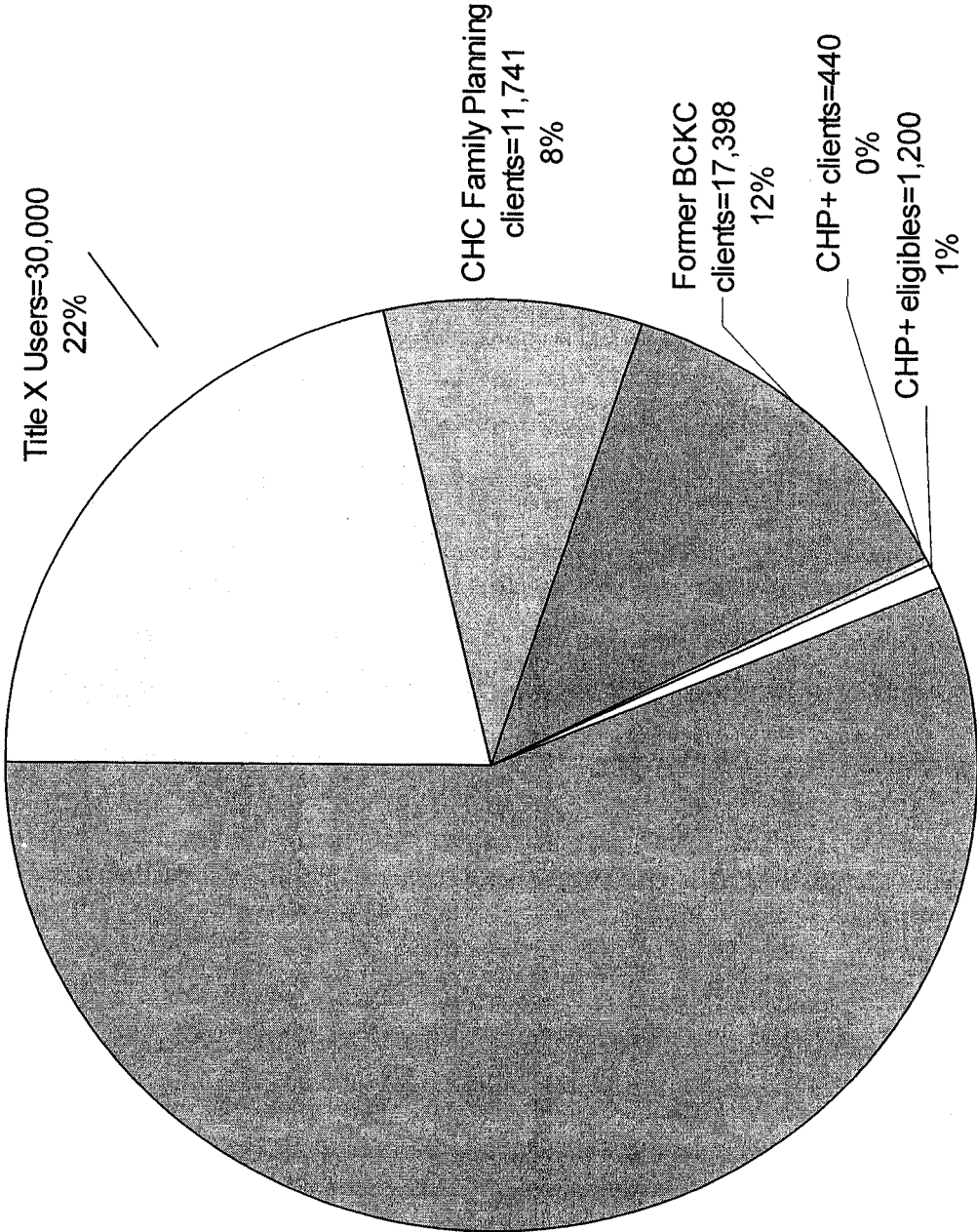
Colorado Family Planning Waiver Budget Neutrality Worksheets, 2001-2005													
All Costs Waiver Fiscal Year		WFY1		WFY2		WFY3		WFY4		WFY5		TOTAL	
WITHOUT WAIVER													
BASIC FP SERVS -- All													
current eligibles		Persons	2,700	2,700	2,700	2,700	2,700	13,500					
		Per Capita	\$ 221	\$ 223	\$ 226	\$ 229	\$ 231						
		Total	\$ 596,700	\$ 602,100	\$ 610,200	\$ 618,300	\$ 623,700	\$ 3,051,000					
DELIVERIES													
		Persons	19,975	20,474	20,986	21,511	21,689	104,635					
		Per Capita	\$ 4,372	\$ 4,394	\$ 4,416	\$ 4,438	\$ 4,460						
		Total	\$ 87,330,700	\$ 89,962,756	\$ 92,674,176	\$ 95,465,818	\$ 96,732,940	\$ 462,166,390					
FIRST YEAR COSTS													
		Persons	19,975	20,474	20,986	21,511	21,689	104,635					
		Percapita	\$ 3,548	\$ 3,566	\$ 3,584	\$ 3,602	\$ 3,620						
		Total	\$ 70,871,300	\$ 73,010,284	\$ 75,213,824	\$ 77,482,622	\$ 78,514,180	\$ 375,092,210					
TOTAL WITHOUT-WAIVER COSTS		\$	158,798,700	\$ 163,575,140	\$ 168,498,200	\$ 173,566,740	\$ 175,870,820	\$ 840,309,600					
WITH WAIVER													
BASIC FP SERVS													
		Persons	2,700	2,700	2,700	2,700	2,700	13,500					
		Per Capita	\$ 221	\$ 223	\$ 226	\$ 229	\$ 231						
		Total	\$ 596,700	\$ 602,100	\$ 610,200	\$ 618,300	\$ 623,700	\$ 3,051,000					
DELIVERIES													
		Persons	19,975	18,744	18,929	19,112	18,932	95,692					
		Per Capita	\$ 4,372	\$ 4,394	\$ 4,416	\$ 4,438	\$ 4,460						
		Total	\$ 87,330,700	\$ 82,361,136	\$ 83,590,464	\$ 84,819,056	\$ 84,436,720	\$ 422,538,076					
FIRST YEAR COSTS													
		Persons	19,975	18,744	18,929	19,112	18,932	95,692					
		Per Capita	\$ 3,548	\$ 3,566	\$ 3,584	\$ 3,602	\$ 3,620						
		Total	\$ 70,871,300	\$ 66,841,104	\$ 67,841,536	\$ 68,841,424	\$ 68,533,840	\$ 342,929,204					
EXPANDED FP													
		Persons	32,390	34,075	35,780	37,503	38,775	178,523					
		Per Capita	\$ 293	\$ 295	\$ 298	\$ 301	\$ 303						
		Total	\$ 9,490,270	\$ 10,052,125	\$ 10,662,440	\$ 11,288,403	\$ 11,748,825	\$ 53,242,063					
SYSTEMS CHANGES		\$	250,000	\$ 30,000	\$ 30,000	\$ 25,000	\$ -	\$ 335,000					
PUBLIC AWARENESS		\$	45,000	\$ 45,000	\$ 40,000	\$ 35,000	\$ -	\$ 165,000					
EVALUATION		\$	30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000					
TOTAL WITH WAIVER COSTS		\$	168,613,970	\$ 159,961,465	\$ 162,804,640	\$ 165,657,183	\$ 165,373,085	\$ 822,410,343					
DIFFERENCE		\$	(9,815,270)	\$ 3,613,675	\$ 5,693,560	\$ 7,909,557	\$ 10,497,735	\$ 17,899,257					

**Chart A: Colorado Women in Need of Publicly Supported
Contraceptive Services and Supplies At or Below 150% Poverty, 2001
Women in Need=139,541**

There is a large group of women who are in need of subsidized family planning. About one in 5 are being served by Title X clinics, 1 in 12 receive services through Community Health Centers, 1 in 8 are women who give birth under Medicaid auspices and are covered for family planning for only 60 days, a small proportion are served by CHP+ or potentially could be served by CHP+, and the majority are women who do not receive publicly funded family planning services at all.

**Other Women in
Need=78,762
57%**

Note: Women receiving TANF benefits are excluded from this chart.



Explanation of Chart A
Colorado Women in Need of Publicly Supported
Contraceptive Services and Supplies At or Below 150% Poverty

Chart A shows 139,541 women in need of publicly supported contraceptive services and supplies at or below 150 percent of poverty in 2001. These women are at risk of unintended pregnancy⁶ and lack the financial resources to pay for appropriate methods and care. The number is the theoretical pool of all eligible people.

The number is calculated using data on population, marital status, sexual activity, income, fecundity (ability to become pregnant), and desire for pregnancy. The data sources used are the census (population, marital status, and income), state population estimates in non-census years, and national and state surveys (sexual activity, fecundity, and desire for pregnancy). The number in need of services **and** supplies is a standard calculation done on a basis by the Alan Guttmacher Institute in New York, a not-for-profit corporation for reproductive health research and policy analysis.

The number in Chart A has been adjusted to exclude women receiving TANF benefits, so that the 139,541 consists only of women who are low-income (below 150% poverty) but not receiving Medicaid. The 139,541 is routinely referred to as “women in need,” but is interpreted to include men as the male partners of the women, when the contraceptive method desired is a male method.

An estimated 30,000 Title X clinic users (shown in light blue) comprise about one in five (22 percent) of the total number in need. These users are women and men who seek contraceptive services from a statewide network of local/county health departments. A total of 11,741 community health center family planning clients (shown in lavender) make up about 1 in 12 (8 percent) of the total number in need. A total of 17,398 women delivering in WFY1 whose pregnancies and 60 days of postpartum care are covered by Medicaid comprise 12 percent of all the women in need (shown in pink). The narrow yellow slices of the pie represent Child Health Plan Plus clients and potential clients, totaling 1,640 together. These groups make up 43 percent of all the women in need.

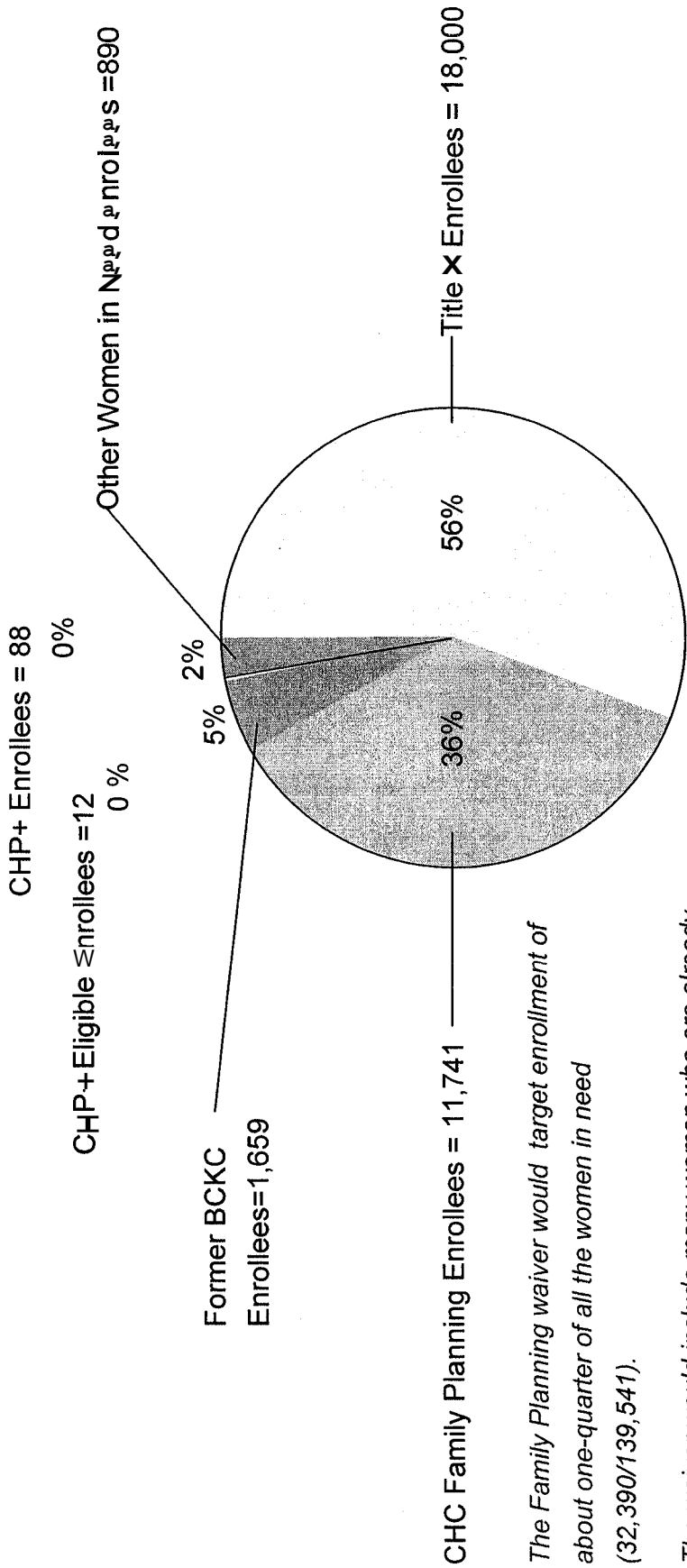
The remainder of the pie consists of 78,762 “other women in need,” shown in gray. These women make up 57 percent of all the women in need.⁷ These women do not

⁶⁶ The Pregnancy Risk Assessment and Monitoring System survey asks a respondent to think back to just before she became pregnant and to choose one of the following descriptions as to how she felt about becoming pregnant: “I wanted to be pregnant sooner;” “I wanted to be pregnant later;” “I wanted to be pregnant then;” “I didn’t want to be pregnant then or at any time in the future;” and “I don’t know.” Pregnancies described as wanted later or not wanted then or any time in the future are categorized as “unintended.”

⁷ It is important to note that the majority of low-income women estimated to be in need of contraceptive services are unable to obtain or do not access appropriate care from health providers even though they state that they do not wish to become pregnant.

receive publicly supported contraceptive services and supplies even though they are sexually active, able to bear children, and do not desire pregnancy (the definition of women in need).

Chart B: Colorado Expected Medicaid Enrollment
with Waiver in Place by Type of Client, 2001
Enrollees = 32,390



The Family Planning waiver would target enrollment of about one-quarter of all the women in need (32,390/139,541).

The waiver would include many women who are already served by Title X or through CHCs. In addition, the waiver would include in 2001 some of the BCKC women plus CHP+ enrollees/eligibles and a few other women in need.

Explanation of Chart B
Colorado Expected Medicaid Enrollment with Waiver in Place
by Type of Client, 2001
Enrollees = 32,390

Chart B shows the anticipated enrollment in the Medicaid family planning waiver of 32,390. The pie is roughly one-quarter the size of the pie shown in Chart A, which includes all the women in need of subsidized family planning whose incomes are at or below 150 percent of poverty. The size of the pie chart in Chart B is an attempt to show representationally that the enrollment is only a portion of those estimated to be in need.

A total of 18,000 Title X family planning clients (again shown in light blue) is included as enrollees, as well as 11,741 community health center family planning clients (shown in lavender). An additional 2,649 women are included; most of whom (1,659) are women who recently delivered under the Baby Care Kids Care program.

The 18,000 Title X family planning clients consist of an estimate of those most likely to be rolled over immediately to Medicaid enrollment (60 percent of all 30,000 Title X clients with incomes below 150 percent of poverty). Many Title X clients will not be eligible for the Medicaid family planning only benefit because they are undocumented. Another group of Title X clients will not elect to enroll in the family planning only benefit because they do not want to participate in a Medicaid program.

The 11,741 community health center clients (shown in lavender) consist of all of the CHC clients who currently receive family planning and who are below 150 percent of poverty.⁸ Community health centers now routinely bill Medicaid for some of their patients and should be able to easily identify and bill for patients whose family planning care would now be covered.

The 2,649 other women consist of women in need of publicly supported contraceptive services and supplies *who are currently outside those two systems and are not accessing services currently*. These are the women who are very likely to experience an unintended Medicaid birth. The pink slice represents a portion of the Baby Care Kids Care mothers (1,659) who have just delivered and whose benefits under that program expire after 60 days. The barely visible yellow sliver represents Child Health Plan Plus enrollees and eligible enrollees (100), and the gray sliver represents 890 women who will enroll and who come from the large pool of women who typically do not seek or receive any publicly supported contraceptive services and supplies. (The estimated 890 are only 1 percent of this group of women.)

The group of 2,649 is at high risk for unintended pregnancy and/or rapid repeat pregnancy and subsequent Medicaid-reimbursed delivery. Colorado Pregnancy Risk

Assessment Monitoring System data reveal that 59 percent of all Medicaid births are unintended and 54 percent of all Medicaid births are repeat births?

⁸ There are an estimated 44,000 women below 150 percent of poverty served by community health centers. A total of 26.7 percent of these women seek and receive contraceptive services; 26.7 percent x 44,000 = 11,741.
⁹ PRAMS is a monthly on-going random sample survey of all live births in the state that provides a large and detailed amount of information about the behavior of pregnant women.

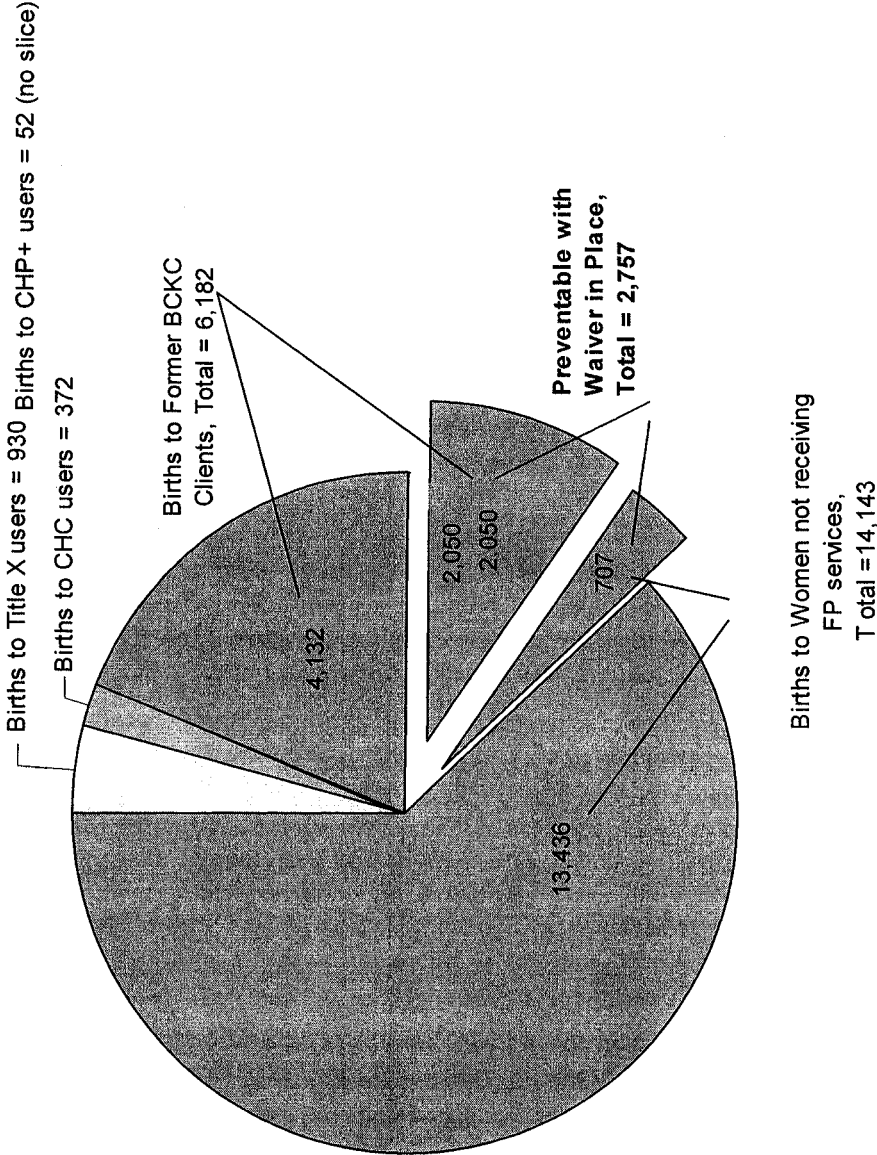
The 1,659 Baby Care Kids Care women anticipated to enroll consists of about 10 percent of an estimated 17,398 Baby Care Kids Care women delivering in 2001.

Chart C: Colorado Medicaid Births, Impact of Family Planning Waiver 2005

Without the Waiver,
Medicaid Births = 21,689

With the Waiver,
Medicaid Births = 18,932

Waiver Impact:
Reduction of 2,757
Medicaid Births



Explanation of Chart C
Colorado Medicaid Births, Impact of Family Planning Waiver, 2005

Chart C shows the composition of Medicaid Births in 2005. (The size of the pie bears no relationship to the size of the pies in Charts A and B).

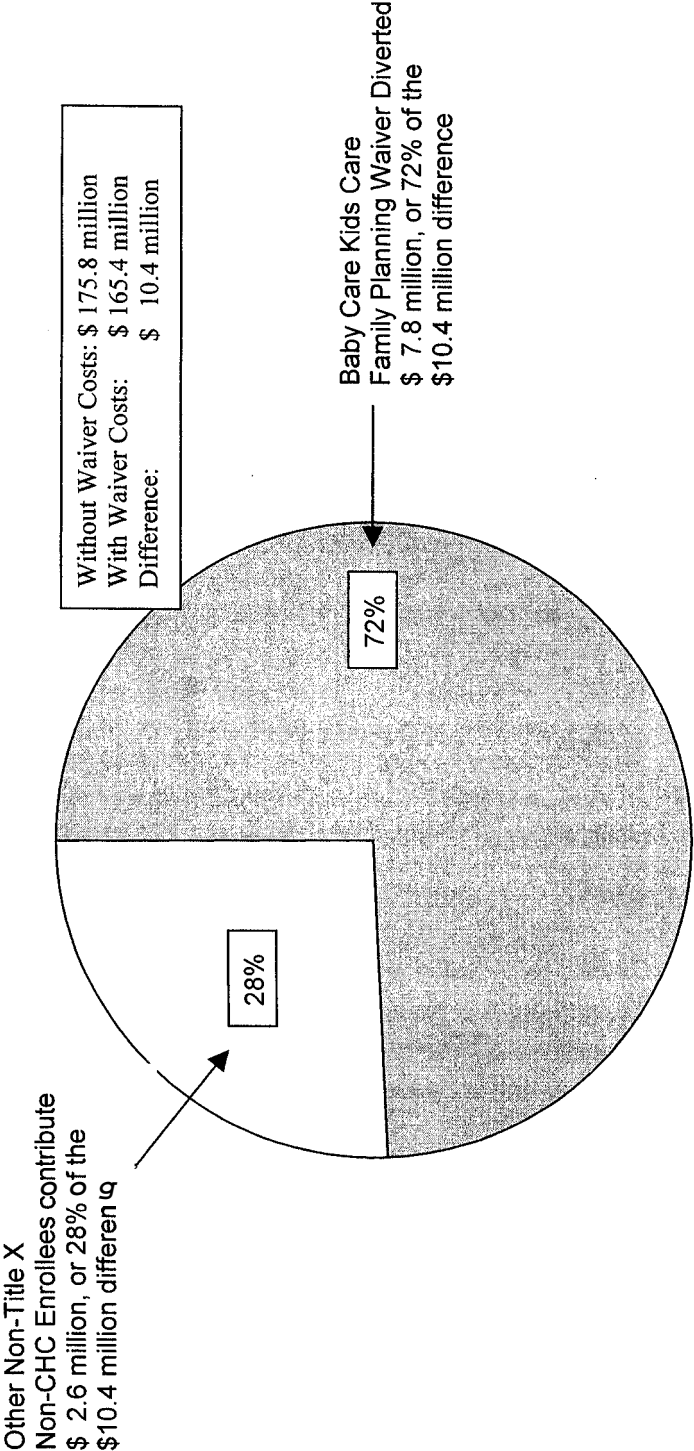
A total of 21,689 births are expected if no waiver is in place in 2005. There would be an estimated 930 births (shown in light blue) among the women who received services through Title X clinics; these are contraceptive failures. Similarly, there would be 372 births (shown in lavender) among community health center users; also contraceptive failures. A total of 52 births to CHP+ clients are too small to merit a visible slice.

Among former Baby Care Kids Care prenatal care enrollees, 6,182 births (shown in pink) would be expected in 2005. With the waiver in place, 2,050 (shown as an exploded pie slice) are potentially preventable; without the waiver, these births would occur. Among women who are not receiving family planning services from any provider, there would be 14,143 births (shown in gray) in WFY5 if no waiver were in place. However, with the waiver, 707 (shown as an exploded slice) of these births are preventable.

Marketing of the waiver will be focused on Baby Care Kids Care clients, who currently state that 78 percent of their births whose conception occurred less than 12 months after a previous delivery were “unintended.” Similarly 77 percent of births whose conception occurred less than 18 months after the previous delivery are described as unintended. The waiver would provide this group of women with reliable contraception after the postpartum period of 60 days has passed.

**Chart D: Contribution to Difference in Costs with New Waiver Enrollment
by Source of Enrollees, 2005**

*Baby Care Kids Care New Waiver Enrollees contribute 72 percent of the
Difference in Costs (Savings) between Colorado "with a Family Planning
Waiver " and Colorado "without a Family Planning Waiver"*



Explanation of Chart D
Contribution to Difference in Costs with New Waiver Enrollment
by Source of Enrollees, 2005

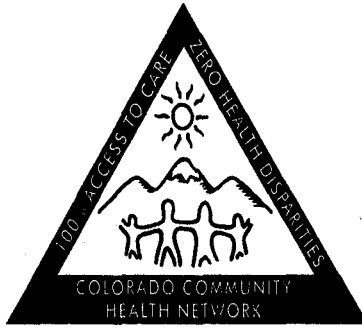
Chart D takes the difference in costs between Colorado “with a family planning waiver” and Colorado “without a family planning waiver” and shows the proportion of the difference that was contributed by the Baby Care Kids Care family planning enrollees and by the other women who previously did not receive publicly supported contraceptive services.

The chart shows that 72 percent, or nearly three-quarters, is expected to be contributed by the group of women whose previous pregnancy had been covered by Medicaid (former Baby Care Kids Care clients, shown in pink). This amounts to \$7.8 million of the \$10.5 million difference between Colorado with a family planning waiver, and Colorado without a family planning waiver.

About one-quarter of the difference in costs, \$2.7 million, can be attributed to the group of non-Title X, non-Community Health Center women who currently have no source of family planning services.

ATTACHMENT E

ATTACHMENT E



September 10, 2001

Jeanette Hensley, Manager
Acute Care Benefits Section
Colorado Department of Health Care Policy and Financing
1575 Sherman Street, 5th Floor
Denver, CO 80203

Dear Ms. Hensley:

Colorado Community Health Network (CCHN) **strongly** supports the Colorado Department of Health Care Policy and Financing's (Department) efforts to obtain and receive the Family Planning Waiver from the Centers for Medicare and Medicaid.

CCHN is the Colorado Primary Care Association for Colorado's fourteen community, homeless, and migrant health centers. Last year Colorado's health centers provided care to 281,000 patients, 81% with family incomes below 200% of the federal poverty level. The health centers anticipate working in close partnership with the Department's family planning clinics to provide primary care to those women receiving care through the family planning waiver.

CCHN and the health centers are pleased that Colorado's low-income population will have increased access to family planning services once the waiver is approved.

Sincerely,

AS

Annette Kowal
Executive Director

